REAL ESTATE COMMISSION
PROFESSIONAL & VOCATIONAL LICENSING DIVISION
DEPARTMENT OF REGULATORY AGENCIES
STATE OF HAWAII
1010 RICHARDS STREET
P. O. BOX 3469
HONOLULU, HAWAII 96801

PRELIMINARY
HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT

ULUNIU TOWNHOUSE
1283 Uluniu Road
Kihei, Maui, Hawaii 96753

REGISTRATION NO. 1187

IMPORTANT — Read This Report Before Buying

This Report Is Not an Approval or Disapproval of This Condominium Project

It reflects information obtained by the Real Estate Commission in its investigation of the project. This report, based on a principle of disclosure, is issued by the Commission for the purpose of preventing fraud, misrepresentation or deceit.

The developer shall not enter into a binding contract or agreement for the sale of any unit in a Condominium Project but may only take reservations therefore after

(1) A copy of this Report has been given to the prospective purchaser,
(2) The latter has been given an opportunity to read same, and,
(3) His receipt taken therefor.

Issued : October 26, 1979
Expires: November 26, 1980

SPECIAL ATTENTION

A comprehensive reading of this report by the prospective purchaser is urged in order that personal requirements and expectations to be derived from the property can be ascertained. The attention of the propsective purchaser is particularly directed to the following:

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED OCTOBER 12, 1979. THE DEVELOPER, IN NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT (CHAPTER 514A, HAWAII REVISED STATUTES).

1. The ULUNIU TOWNHOUSE is a proposed fee simple condominium project consisting of six apartment units in single building. There will be one uncovered parking stall for each apartment. There will be two uncovered guest stalls. Buyers will receive an apartment deed granting a fee simple interest directly from the Developer.

2. The Developer of the project has filed all documents and material deemed necessary by the Commission for the registration of this proposed comdominium project and issuance of the Preliminary Public Report.

3. The Developer reports that the Declaration of Horizontal Property Regime, Bylaws of the Association of Apartment Owners and Condominium will be filed in the office of the recording officer immediately prior to the application for a final public report.

4. The Developer has advised the Commission that advertising and promotional matter required to be filed pursuant to the rules and regulations promulgated by the Commission will be submitted prior to public exposure.

5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514A, Hawaii Revised Statutes, and the Rules and Regulations of the Hawaii Real Estate Commission which relate to Horizontal Property Regimes.

6. This Preliminary Public Report is made a part of the registration of ULUNIU TOWNHOUSE condominium project. The Developer has the responsibility of placing a true copy of the Preliminary Public Report (yellow paper stock) in the hands of all purchasers and obtaining a receipt from each purchaser.

7. This Preliminary Public Report automatically expires thirteen (13) months after date of issuance, October 26, 1979, unless a Final or Supplementary Public Report issues, or the Commission upon review of registration issues an order extending the effective period of this report.

NAME OF PROJECT: ULUNIU TOWNHOUSE

LOCATION: The site, comprising approximately 11,666 sq. feet is located at Waiohuli, Kula, Maui, Hawaii.

TAX MAP KEY: 3-0-8-21 (Second Division)

ZONING: A-1 (Maui County)

DEVELOPER: Sharp Family, Inc., a Hawaii corporation whose place of is at 1662 Halama Street, Kehei, Maui, Hawaii. The officers of the corporation are David L. Sharp, President; George E. Sharp, Vice-President, and Marianne Sharp, Secretary-Treasurer.

ATTORNEY REPRESENTING OWNER: Case, Kay & Lynch (Attention: Gary L. Wixom, Esq.), Suite 1100, 165 South King Street, P.O. Box 494, Honolulu, Hawaii 96809, Telephone: (808) 536-7261.

DESCRIPTION AND DIVISION OF THE PROJECT: The Project contains six apartments in a single two story building constructed primarily of concrete, concrete block, wood, sheet rock, glass and related building materials. There are 8 uncovered parking stalls, with each apartment having the exclusive use of one stall. Two stalls are unassigned.

The recreational amenities include a swimming pool, a jacuzzi, lawn area and landscaped grounds.

DESCRIPTION OF THE APARTMENTS: The Project contains six two-bedroom apartments, five of which have identical floor plans, and one of which has the same floor plan with slightly larger dimensions. All apartments are furnished with a refrigerator, dishwasher, range with oven below, hood and fan, washer/dryer, garbage disposal, microwave oven, trash compactor, solar waterheater, drapes and carpeting and a room air conditioner in the living room and one bedroom. All apartments have immediate access to the common elements through the entry or across lanais build on grade. Each apartment has two levels. On the first level there is a living-dining room, kitchen, entry, half bathroom and an interior stairway leading to the second level. On the second level there are two bedrooms and a full bathroom. The approximate living area of apartments numbered 1 through 5 is approximately 894 square feet and a lanai area of 180 square feet for a gross area of approximately 1074 square feet. The area of the apartment numbered 6 is approximately 956 square feet and a lanai area of 192 square feet for an approximate gross area of 1148 sqare feet. The apartments are numbered consecutively 1 through 6 beginning at the westerly end of the Project adjacent to the parking lot and proceeding in sequence in the easterly direction. Apartment No. 6 is a unit presently existing on the Project which has been substantially remodeled and made a part of the new construction. NOTE: In accordance with Hawaii practice, the approximate gross floor area and living area of each apartment as set forth herein includes all of the walls and partitions, vents, shafts, ducts and the like within its perimeter walls, the entirety of its perimeter nonparty walls and the interior half of its perimeter party walls, whether load bearing or nonload bearing. In addition, the gross floor areas above include lanais. Certain of the areas included in the gross floor area and living area are portions of the common elements.

LIMITS OF APARTMENTS: Each apartment shall be deemed to include: (i) the adjacent lanai to which such apartment has direct, exclusive access, (ii) all the walls and partitions which are not load-bearing within its perimeter walls, (iii) the inner decorated or finished surfaces of all walls, floors and ceilings, (iv) any doors, windows or panels along the perimeters, and (v) all fixtures originally installed therein. The respective apartments shall not be deemed to include: (a) the undecorated or unfinished surfaces of the perimeter walls, the interior load-bearing walls, or the party walls, (b) the undecorated or unfinished floors and ceilings surrounding each apartment, or (c) any pipes, shafts, wires, conduits or other utility or service lines running through such apartment which are utilized for or serve more than one apartment, the same being deemed common elements as hereinafter provided.

COMMON ELEMENTS: The remaining portions of the project are designated as "common elements," including specifically but not limited to:

a. The land in fee simple.

b. All foundations, columns, girders, beams, floor slabs, supports, perimeter walls, load bearing walls, floors, ceilings (except the inner or decorated surfaces of the perimeter walls, load bearing walls, floors and ceilings), and the roof,

c. All grounds, gardens, planters, plants, refuse facilities, driveways, walkways, parking areas (including two guest

parking stalls), mail boxes, equipment rooms, swimming pool and other recreational facilities.

d. All tanks, pumps, motors, fans, compressors, solar heating panels and equipment, waste water treatment plant and other equipment and installations for common use or benefit.

e. All ducts, pipes, wiring, electrical and other central and appurtenant transmission facilities and installations which serve more than one apartment for services such as electrical power, water, sewer and telephone and television signal distribution.

f. Any and all other parts of the property, apparatus and installations for common use or necessary or convenient to the project's existence, maintenance or safety and normally in common use and all elements mentioned in the Act actually constructed on the land described herein.

LIMITED COMMON ELEMENTS: Certain parts of the common elements, herein called "limited common elements," are designated and set aside for the use of certain apartments, and such apartments shall have appurtenant thereto exclusive easements for the use of such limited common elements as follows:

a. Each apartment shall have the exclusive right to use one parking stall. The stall shall have the same number as the apartment as shown on the Condominium Map.

b. Each apartment shall have appurtenant to it the exclusive right to use a mail box in the mail facilities located as shown on the Condominium Map.

c. Each apartment shall have appurtenant to it the exclusive right to use the private patio area adjacent to each apartment, the boundaries of such patio areas being more particularly shown on the Condominium File Plan. The care and maintenance of the private patio area adjacent to each apartment shall be the sole responsibility of the owner of such apartment.

INTEREST TO BE CONVEYED TO PURCHASER: Each apartment shall have appurtenant thereto a 16.66 percent undivided interest in all the common elements of the project (herein called the "common interest") and the same proportionate share in the common profits and expenses of the project and for all other purposes including voting, except that Apartment No. 6 shall have a 16.67 percent interest. Interests in each apartment will be conveyed to each buyer by an apartment deed.

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The proposed Declaration reflects that the apartments shall be occupied and used as private residences. Apartments may be rented for periods in excess of 30 days provided customary hotel services are not provided to tenants.

The proposed Project Rules state, in part: (1) Occupancy is limited to not more than two (2) persons per bedroom contained in each apartment, except that this occupancy may be exceeded by members of the immediate family of the owner, tenant or lessee, provided that in no event shall the number of occupants be more than three (3) per bedroom; (2) No fires or barbecuing will be permitted on any apartment lanai; and (3) no waterbeds are permitted.

OWNERSHIP OF TITLE: A preliminary title report dated August 31, 1979 issued by Title Guaranty of Hawaii, Inc., shows fee simple title to be held by the Developer.

ENCUMBRANCES AGAINST TITLE: The title report identifies the following encumbrances on the land committed to the project:

1. For any taxes that may be due and owing, reference is made to the Office of theTax Assessor, Second Division.

2. Restrictive covenants and conditions contained in Deed dated October 31, 1968, recorded in the Bureau of Conveyances in Liber 6341, page 257 and expiring April 11, 1991 pertaining to the use of secondhand or used materials or used buildings being relocated onto the premises.

3. Mortgage in favor of American Savings and Loan Association dated October 20, 1975, recorded in Liber 11004, page 11.

4. Agreement dated May 24, 1979, recorded in Liber 13749, page 734, between the County of Maui, Department of Water Supply and George and Mary Sharp and Roger Sharp and David L. and Marianne Sharp.

5. Declaration of covenants, conditions and restrictions dated August 13, 1979, recorded in Liber 13949, page 751.

PURCHASE MONEY HANDLING: A copy of the executed Escrow Agreement dated October 2, 1979, identifies Title Guaranty Escrow Services, Inc., a Hawaii corporation, as Escrow Agent. On examination the specimen Deposit Receipt and Sales Contract and the executed Escrow Agreement are found to be in compliance with Hawaii Revised Statutes, Section 514A-37, Section 514A-39 and Sections 514A-63 through Section 514A-66. A prospective purchaser should carefully examine the form of Sales Contract and the Escrow Agreement to determine the time for and the amount of the installment payments on the purchase price and his obligations to pay the closing costs. It is incumbent upon the purchaser to read and understand the Escrow Agreement before signing the Sales Contract since the Escrow Agreement prescribes the procedure for receiving and disbursing the purchaser's down payments and the Sales Contract provides that the purchaser approves the Escrow Agreement. Among other provisions the executed Escrow Agreement states that no money received by Escrow Agent shall be disbursed until the Seller has a valid and binding contract for the sale of the unit for which money was received and the requirements of Sections 514A-39, 514A-63, 514A-64 and 514A-66 have been met, all as provided in Section 514A-65, Hawaii Revised Statutes.

According to the specimen Deposit Receipt and Sales Contract, in the event that less than five apartments in the project are sold prior to construction and to the time that Developer has valid and binding agreements, Developer may, at its option terminate all sales agreements, refund Buyers all monies paid without interest and be relieved and released from any past and future liabilities.

The specimen Sales Contract also states: (1) All of Buyer's right, title and interest under the Sales Agreement are and shall be subject and subordinate to the lien of any mortgages or other security instruments made by Developer to any institutional lender for the purpose of securing the repayment of a construction loan; and (2) In the event development and construction of the project are delayed due to

governmental restrictions or regulations enacted after the date of any Sales Agreement, which delay results in excessive developmental cost or by occurrence of a contingency, the non-occurrence of which was the basic assumption of any agreement entered, then in such event, Developer may at its option, terminate the Sales Agreement, refund all monies (except escrow cancellation fee) and be released of all liabilities under the Sales Contract; (3) Developer makes no warranties, expressed or implied, with respect to the Property or the Apartment or any common elements or anything installed therein, including but not limited to warranties of merchantability or fitness for a particular purpose.

The Sales Contract also states that in order to obtain a building permit for the Project, the Developer has agreed with the Director of Public Works for the County of Maui that no water meter of any size other than a temporary construction meter shall be issued for the Project until the acceptance and satisfactory operation of the Central Maui Water Transmission Source and Pipeline projects and that this restriction shall apply to the Buyer and that neither Developer nor Buyer may petition the Director of Public Works, County of Maui, for a Certificate of Occupancy for the Project until acceptance by the County of Maui and satisfactory operation of the Central Maui Water Transmission Source and Pipeline projects. The Sales Contract further provides that if such acceptance and operation does not occur prior to commencement of construction of the Project, Seller at its option may terminate this Contract and cause Buyer's monies to be refunded without interest. If Developer proceeds with construction, Buyer agrees to accept the Apartment at closing notwithstanding that a water meter for the Project is not available at that time and waives and releases Seller from all claims and demands and cause of action for losses, damages or liability arising out of or in connection with the unavailability of water to the Apartment or Project.

The Sales Contract, among other things, contains acknowledgments by each buyer: (i) that the Developer has not made any representations concerning the rental of apartments in the Project; (ii) that the buyer must make any such arrangements for his apartment, if desired, without the involvement or participation of the Developer; and (iii) that the Developer has not authorized agents, salesmen or brokers to make any representations as to rental or other income from any apartment or any other economic benefit, including possible advantages from the ownership of an apartment under federal or state tax laws, to be derived from the purchase of an apartment in the Project.

The Sales Contract further contains an acknowledgment by Buyer that the Project may be located in a floodplain or subject to periodic flooding. In order to proceed with the Project, the Developer has agreed to indemnify the County of Maui against all claims and demands for losses or damage to property or injury or death of persons arising out of the County's approval of, or the issuance of a building permit for the Project or caused by construction of the Project due to alterations in the flow of water around or across the Project, natural flooding, or failure of a drainage system to accommodate flowing water as set forth more particularly in the Declaration of Covenants, Conditions and Restrictions dated August 13, 1979 and recorded in the Bureau of Conveyances of Hawaii in Liber 13949, page 751. The Sales Contract provides that Buyer will perform such agreements to the County of Maui and indemnify the Developer against all claims and demands arising out of Buyer's nonobservance or nonperformance.

It is incumbent upon the purchaser and prospective purchaser to read with care and to understand the Escrow Agreement and Sales Agreement as both agreements provide for the benefits and obligations therein outlined.

MANAGEMENT OF THE PROJECT: The operation of the property shall be conducted by Baldwin Property Management of Kahului, Maui, Hawaii.

STATUS OF PROJECT: The Developer has selected a contractor to construct the project and is currently in the process of arranging construction financing. The estimated date for commencement of construction is October 1979.

The purchaser or prospective purchaser should be cognizant of the fact that this published report represents information disclosed by the Developer in the required Notice of Intention submitted October, 1979 and information subsequently submitted as of October 12, 1979.

This PRELIMINARY HORIZONTAL PROPERTY REGIME (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1187 filed with the Commission on October 12, 1979.

The report, when reproduced, shall be a true copy of the Commission's Public Report. In making facsimiles the paper stock shall be yellow in color.

(for)

AH KAU YOUNG, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

DEPARTMENT OF TAXATION
BUREAU OF CONVEYANCES
PLANNING DEPARTMENT, COUNTY OF HAWAII
FEDERAL HOUSING ADMINISTRATION
ESCROW AGENT

REGISTRATION NO. 1187

October 26, 1979